BRITISH COLUMBIA
The Best Place on Earth

**LIQUOR DISTRIBUTION BRANCH**

**Revised: April 16, 2009**

# RURAL AGENCY STORE PROGRAM

## Information Package

**Liquor Distribution Branch**
**2625 Rupert Street**
**Vancouver, British Columbia V5M 3T5**

The *Rural Agency Store Program Information Package* provides interested parties with information about the Rural Agency Store Program, including the Program's Community and Business Criteria, General Operating Conditions, and *Authorization Terms and Conditions*.

If, after thoroughly reviewing the *Rural Agency Store Program Information Package*, you believe your community meets the Rural Agency Store Program criteria, please provide a written submission to the Manager of Store Operations at the address noted below.

The submission should address the following points/questions:

- The driving distance from your business location to the nearest liquor outlet(s), including government liquor stores, rural agency stores, and licensee retail stores.
- Is the community within city limits or municipal boundaries?
- Is there year round all weather road access to the community?
- What is the population of the trading area within 5 kilometres driving distance from the community?
- What business services and facilities exist in the community?
- Can the residents do the majority of their shopping in the community?
- What is the percentage of linear feet of the proposed liquor area? Please provide a breakdown by product category of your store's area product mix (by percentage of linear feet).

Upon receipt of this information, the Liquor Distribution Branch will assess the community for eligibility for a Rural Agency Store.

Thank you for your interest in the Rural Agency Store Program. For more information about the program, please contact Store Operations by telephone 604-252-3324 or toll free at 1-866-888-3324, facsimile 604-252-3016, or e-mail: ras@bcliquorstores.com.

Store Operations
Liquor Distribution Branch
2625 Rupert Street
Vancouver, BC
V5M 3T5

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# Section I

# Introduction

## BACKGROUND

The LDB established a program where an independently-owned full-service general grocery store may operate a Rural Agency Store (RAS) for the retail sale of liquor (spirits, wine, beer, cider and coolers) in a community that is not currently served by a Government Liquor Store (GLS), Licensee Retail Store (LRS) or Rural Agency Store. Only one Rural Agency Store can operate in a community.

Rural Agency Stores are full-service general grocery stores authorized by the LDB to sell liquor in communities where liquor service is not readily available.

The physical location of a Rural Agency Store must be a minimum of 10 kilometres driving distance from the nearest existing GLS, LRS, or RAS, where access is by all-weather road. Once a Licensee Retail Store application or relocation application has reached the pre-clearance stage of the licensing process, a competing Rural Agency Store application in any stage of the process will be turned down.

The RAS program is expected to deliver good customer service, economic benefits to the community, increased employment, overall broadening of the community's business base and promotion of small business in British Columbia.

The economic viability of a Rural Agency Store operation is secondary to its primary purpose as a full-service general grocery store. The policies and criteria of the Rural Agency Store program are designed to ensure that once a Rural Agency Store is authorized, liquor will be available, but it is not intended to be the core focus of the business.

The community is measured against the established Rural Agency Store criteria, as described below, to determine eligibility. If eligible, community support for a Rural Agency Store is determined in the following way:

- Placement of an advertisement in local newspapers inviting input from members of the community;
- Posting a notice in the proposed business in the area;
- Invitations for input are sent to local interest groups such as nearby First Nation Bands, local government and police.

The Liquor Distribution Branch will not consider written submissions for the establishment of a Rural Agency Store from business operators in other communities that are located within 10 kilometres of a community that is currently in the community input or applicant review stage.

- If there is evidence of community support, and there is no significant opposition to the establishment of a RAS, the Liquor Distribution Branch will provide an application package to potential businesses in the community. If significant opposition to the establishment of a RAS is expressed, the LDB will not proceed with the review further.
- The Liquor Distribution Branch will post an expression of interest in the local newspaper, and interested applicants will have 30 days to submit an application.
- Applications are evaluated against the Rural Agency Store criteria and must meet the minimum store standards as set out for the Rural Agency Store Program, to be considered for a Rural Agency Store.

Persons (Operators) granted an Authorization to operate a Rural Agency Store must comply with all applicable laws or by-laws affecting the Operator's business (see *Authorization Terms and Conditions*). This includes complying with all local zoning bylaws.

No Authorization will be granted until the applicant satisfies the LDB that there is in place the appropriate zoning to sell beverage alcohol from the applicant's designated premises.

A letter from the local municipality or regional district confirming that the applicant's designated premises are in compliance with all local zoning by-laws will be acceptable. If the applicant cannot obtain a letter from the municipality, other evidence of compliance may be acceptable and should be discussed with the Manager, Store Operations.

Authorized RAS Operators have access to all products that are available for sale in the province, including wholesale products supplied by the LDB, wine supplied directly by British Columbia wineries and all beer supplied directly by beer suppliers.

Authorized Operators are required to comply with their RAS *Authorization Terms and Conditions*.

# Section II

## Community and Business Criteria

# I. COMMUNITY CRITERIA

The Rural Agency Store program is designed for two types of communities – rural communities and major tourist destination resorts.

Only one Rural Agency Store authorization in a community or tourist resort is permitted.

At the discretion of the General Manager, an exception to the community criteria may be granted in extenuating situations such as waterbound locations.

The Liquor Distribution Branch reserves the right to authorize the establishment of a Rural Agency Store in any community where a Government Liquor Store ceases to operate.

## 1. Criteria for Rural Communities:

**Distance:** The proposed location is a minimum of 10 kilometres driving distance from the nearest existing Government Liquor Store, Licensee Retail Store, or Rural Agency Store, where access is by all-weather road. A Rural Agency Store will not be authorized within city limits or within the municipal boundaries of an urban community.
**Size:** The rural community is too small to warrant the establishment of a Government Liquor Store. The population being served by the trading area is a minimum of 300 persons [except for communities without all weather road access]. The trading area is defined as an area within 5 kilometres driving distance from the community.
**Community services:** The area must be a bona fide community, as evidenced by the existence of a variety of business services and facilities, such as a church, post office, school or community hall.
**Suitable business:** There is a suitable business to accommodate a Rural Agency Store, that is an independently-owned full-service general grocery store, which has been in business for at least one year, not associated in any manner with a chain store operation, and that stocks a sufficient quantity and variety of food groups and staples to meet the basic shopping needs of the community.
**Community support:** The community must support the establishment of a Rural Agency Store.

## 2. Criteria for Major Tourist Destination Resorts:

**Distance:** The proposed location is a minimum of 10 kilometres driving distance from the nearest existing Government Liquor Store, Licensee Retail Store or Rural Agency Store, where access is by all weather road. A Rural Agency Store will not be authorized within city limits or within the municipal boundaries of an urban community.
**Size:** The resort is too small to warrant the establishment of a Government Liquor Store
**Tourist services:** The resort must have substantial permanent accommodation for tourists.
**Suitable business:** There is a suitable business to accommodate a Rural Agency Store; i.e. an independently-owned full service general grocery store, which has been in business for at least one year, whose business is not associated in any manner with a chain store operation, and that stocks a sufficient quantity and variety of the basic food groups and staples to meet the basic shopping needs of the tourist destination resort.
**Community support:** The community must support the establishment of a Rural Agency Store.

# II. BUSINESS ELIGIBILITY CRITERIA

## Type of Business

In addition to meeting the community or tourist destination resort criteria, successful Rural Agency Store applicants must demonstrate that their business provides basic shopping services. An independently-owned full-service general grocery store would normally meet this condition, as residents can meet basic shopping needs without travelling outside their community.

A store that only stocks "convenience" type products (chips, pop, chocolate bars, etc.) would not be considered a suitable location for a Rural Agency Store.

Applications will not be accepted from any business presently listed for sale.

The criteria used to determine the suitability of a business for a Rural Agency Store Authorization include:

### Groceries and Product Mix

- Dairy products
- Fresh/frozen meat/poultry/fish
- Fruits/Vegetables – fresh/frozen
- Grain products– bread/baked goods/pasta/rice
- Canned goods – soups, vegetables, etc.
- Household staples – flour, sugar, cleaning supplies, toiletries, pet food, etc.
- Frozen products
- Miscellaneous items

### Additional Services

- Post office
- Lottery outlet
- Fishing/hunting licenses
- Propane/gas

### Store Appearance and Layout

### Interior

- Premises clean and well-maintained
- Fully stocked shelves
- Knowledgeable, helpful, courteous staff
- Store layout facilitates access to products
- Store hours posted at entrance
- Proposed area for liquor sales separate from other products sold and visible to customers
- Space and shelving adequate to display a suitable range of liquor products
- Refrigeration units available

**Exterior**

- Exterior of building in good condition
- Well-maintained/landscaped, free of debris
- Easy access to store
- On site parking

**Business Location**

- Facilitates one stop shopping
- Centrally located in the community

# Section III

# Definitions

The following definitions apply to the terms and abbreviations used in this document:

| | |
|---|---|
| ***applicant*** | person, partnership or corporation applying for an Authorization |
| ***authorization*** | an Authorization to operate a Rural Agency Store. An Authorization is personal in nature and cannot be sold, transferred or assigned by the operator |
| ***discount*** | reduction of the purchase price of liquor |
| ***display price*** | the price at which liquor is sold to a customer; display price being the Retail Price plus the 10% Social Services (provincial sales) tax and the 5% Goods and Services Tax |
| ***Distribution Centre*** | Vancouver Distribution Centre or Kamloops Distribution Centre |
| ***general manager*** | the General Manager of the Liquor Distribution Branch |
| ***general grocery store*** | commercial store offering basic food supplies to retail customers |
| ***GLS*** | government liquor store |
| ***grandparent status*** | RASs established prior to implementation of the 2004 program criteria. This status applies to the physical location of the RAS and will be terminated if the RAS moves to any other physical location. |
| ***independently-owned*** | businesses not associated in any manner with a chain store operation (for example, Safeway, IGA, Thrifty Foods, etc.) |
| ***LDB*** | Liquor Distribution Branch |
| ***licensed establishment*** | establishment licensed under the *Liquor Control and Licensing Act*, such as a pub or a restaurant |
| ***liquor*** | beverage alcohol - spirits, wine, beer, cider and coolers |
| ***Liquor Control and Licensing Act*** | *Liquor Control and Licensing Act*, R.S.B.C. 1996, c.267 |
| ***Liquor Distribution Act*** | *Liquor Distribution Act*, R.S.B.C. 1996, c.268 |
| ***Licensee Retail Store (LRS)*** | private liquor store licensed under the *Liquor Control and Licensing Act* |
| ***operator*** | the individual, partnership or corporation responsible for operating the RAS |
| ***physical location of RAS*** | the street address of the store that the RAS is operating from |
| ***product*** | all product available for sale in the province, including wholesale products supplied by the LDB, wine supplied directly by British Columbia wineries and all beer supplied directly by beer suppliers |
| ***relocation*** | at the discretion of the General Manager, a variance to the grandparent provision related to a relocation may be granted |

| | |
|---|---|
| ***retail price*** | in relation to liquor, the price at which liquor of that type is to be sold at a government liquor store but does not include the provincial tax or federal Goods and Services Tax |
| ***rural agency store (RAS)*** | the business of selling liquor in conjunction with an independently owned full service general grocery store |
| ***rural community*** | a community that is 10 kilometres driving distance from the nearest existing GLS, LRS, or RAS, where access is by all weather road; the population being served by the trading area is a minimum of 300 persons (except for communities without all weather road access) and it is too small to warrant the establishment of a GLS; the community typically has a variety of business services and facilities such as a church, post office, school or community hall |
| ***signage*** | any publicly displayed information that is presented in the form of words, symbols and/or pictures |
| ***site*** | legal description of the Operator's physical location |
| ***special occasion license (SOL)*** | authorization permitting the applicant to serve, sell and consume alcohol at a special event, celebration, or community festival |
| ***special orders*** | liquor product orders not sold in GLSs and ordered through LDB permitted channels |
| ***store*** | the building, business, fixtures, machinery, equipment, materials, goods and chattels or part thereof at the site, owned or leased and used by the Operator for the retail sale of liquor as governed by the Authorization Terms and Conditions |
| ***supplier*** | a manufacturer (brewer, vintner or distiller), importer, distributor or bottler of liquor |
| ***10 per cent shareholder*** | a shareholder holding 10 per cent or more of the shares of a corporate applicant |
| ***trading area*** | an area within five kilometres driving distance from the community |

# Section IV

# RAS General Operating Conditions

*The RAS Operating Conditions* and *Authorization Terms and Conditions* constitute the operating procedures for a Rural Agency Store. The LDB reserves the right to change the terms of the RAS Program at any time.

## PART I. RAS PROGRAM DESCRIPTION

The RAS Operator must comply with the following:

### Liquor Purchases

RAS operators have access to all products that are available for sale in the province, including wholesale products supplied by the LDB, wine supplied directly by British Columbia wineries and all beer supplied directly by beer suppliers.

### Operator's Purchase Price

The LDB will sell liquor to the Operator at a discount. The discount may occasionally be changed by the LDB. The discount is calculated on the retail price at which liquor is sold in LDB stores, excluding provincial sales tax (10 per cent). An example of how this discount is calculated is in Appendix A. The discount on RAS sales is ten per cent (10%) of the retail price. The Operator must pay applicable Goods and Services Tax on all purchases after the discount has been calculated.

RAS operators authorized to sell liquor to licensed establishments must sell at the GLS display price less the 10% provincial sales tax. All sales to licensed establishments must be documented on a specific form and forwarded to LDB Head Office. The RAS Operator must maintain records and other reporting requirements to ensure sales to licensed establishments are properly accounted for.

### Price at Which Liquor Can Be Sold

The Operator may sell liquor products at 5% plus or minus the GLS's display price. A RAS price calculator is located under the Resources tab on the Wholesale website at www.ldbwholesale.com. Prices must be posted in reasonable view in the RAS.

At the Operator's option, a chill charge may be added for liquor sold chilled. The chill charge must be clearly displayed as a separate amount. A reasonable selection of non-chilled products must be available for sale at all times.

### Freight Charges

RAS Operators have access to one no-cost liquor delivery per week for products that are supplied by the LDB. RAS operators may opt to pick up their weekly order and a pick-up reimbursement will be issued monthly. Specific details are provided to each RAS Operator. This will not affect the direct beer service you may currently be receiving from BDL or other beer suppliers.

The RAS Operator will transport or arrange for the transportation of liquor to the RAS and at his/her sole cost and risk for any deliveries exceeding one delivery per week.

**Legal Age of Employees**

According to Liquor Distribution Act, all employees involved in the sale of liquor in the RAS must be at least nineteen (19) years of age **(NO EXCEPTIONS)**.

**Business Hours**

According to the Liquor Distribution Act, the Operator's hours of sale of liquor in the RAS must be set between 9:00 a.m. and 11:00 p.m. The RAS may be open for business any day of the year (subject to municipal, regional or district bylaws).

**Delivery of Liquor Products**

The LDB allows RAS Operators to deliver liquor products from their existing retail location to retail customers, in compliance with the *Terms and Conditions for Liquor Deliveries* (see section on Terms and Conditions for Liquor Deliveries).

**Books and Records**

The Operator must keep accurate financial records, prepared in accordance with generally accepted accounting principles, relative to the purchase and sale of liquor that are necessary, customary and appropriate for a like-sized retail business. All sales to licensed establishments must be recorded and documented as required by the LDB. Upon request, the Operator must be able to provide financial records to the LDB for inspection or audit to ensure compliance with the Terms and Conditions.

**Empty Containers**

All brands of spirits, wines, beer, cider and coolers are sold in containers where a deposit fee must be charged at the time of sale, as per the regulations of the Environment Management Act.

The Operator must refund to customers the deposit applicable upon return of any empty containers. Operators are required to accept up to two dozen empties, per customer, per day and must arrange for the collection and redemption of empty containers.

The LDB compensates RAS operators for the storing and transporting of returned empty wine and spirit containers. RAS operators are reimbursed a 10 cent per container handling fee (plus GST) based on purchases of wine/spirit containers. This handling fee is calculated and paid every three financial periods (months) and is based on wine and spirit container purchases for those three financial periods.

**Non-Transferable Authorization**

The RAS Authorization is personal in nature and cannot be sold, transferred or assigned by the Operator, either directly or indirectly. A RAS authorization will terminate upon the sale of the business, the change in partners, or the sale of 10 per cent of the shares of any company running the business. Temporary authority to operate a RAS may be given to the new purchaser while the application process is initiated.

If the business (full-service general grocery store) closes, the RAS authorization will be terminated. Any future requests for the establishment of a RAS in the community will be subject to the RAS criteria applicable at the time. If a GLS or LRS is located in the community, the LDB will not consider a temporary or permanent RAS authorization.

**Advertising**

As per the Liquor Distribution Act, the Operator may advertise:

- the name and location of the store;
- hours of sale;
- the type of liquor available, i.e. beer, wine, cider, coolers and spirits.

Advertisements may not:

- encourage liquor consumption or irresponsible drinking;
- use pictures of minors, or personalities, images or activities that may appeal to minors;
- show people drinking or anyone who is either intoxicated or behaving irresponsibly or illegally;
- suggest that customers will be provided with free liquor, or liquor below prices consistent with the General Conditions to Operate a Rural Agency Store and Rural Agency Store Authorization Terms and Conditions.

As indicated in Liquor Distribution Act, advertisements may be placed in newspapers, magazines, periodicals, brochures, pamphlets, on television, radio or on the Internet.

**Signage**

Any signs, including the sign bearing the name of the business, must comply with local by-laws. Signs are considered to be advertisements and must comply with the advertising terms and conditions outlined in the Liquor Distribution Act.

All signs, whether inside or outside the RAS, must be approved by the LDB prior to use.

## PART II – APPLICATION COMPLETION

### 3. REQUIRED APPLICATION INFORMATION

**Required Forms**

The required forms for an application are:

- *Rural Agency Store Application*
- *Authorization Terms and Condition*
- *Personal History Form*
- *Business Reference Form*

The applicant, whether it be an individual owner, partnership or corporation, must submit the Rural Agency Store Application, Authorization Terms and Conditions, and the Business Reference Forms.

Personal History Forms must be submitted by the individual, if the individual's business is run as a sole proprietorship; by each individual partner, if the applicant is a partnership; by each director, officer and each person holding 10 per cent or more of the shares of a corporation, if the corporation is the applicant; and, if applicable, by the proposed manager of the applicant's store.

**Business References**

Applicants must provide the name and telephone number of the applicant's financial institution and authorize the LDB to contact references. As well, the applicant must provide satisfactory business references from at least two (2) suppliers of retail goods.

**Conduct of Operator**

The Operator will be required to comply with all applicable laws, by-laws, orders, ordinances, permits and regulations ("Applicable Laws") in its operations, and in particular both the *Liquor Distribution Act* and the *Liquor Control and Licensing Act* and all amendments thereto.

**Conflict of Interest**

The applicant and/or its partners, directors, officers and/or 10 per cent shareholders will have to disclose any direct or indirect interest in or arrangement with any manufacturer, importer, distributor or bottler of alcohol beverage. Upon disclosure, the LDB will determine whether, in its sole discretion, a conflict of interest exists. The LDB reserves the right to ask for further information if necessary in order to make this determination. If such a conflict of interest is found to exist during the application process or subsequently during the term of the Authorization, then the LDB may, in its sole discretion, refuse to consider the application or terminate the Authorization as applicable.

**Layout of Store Premises**

The Operator may offer for sale and sell liquor only from a separate area of the store premises. Applicants should describe the size of the retail premises and the location of the proposed sales area for liquor. The LDB may conduct a site inspection of each applicant's retail premises, including the photographing of the premises.

**Financial Reporting**

The Operator must be able to separate and identify the sales of liquor (including chill charges and empty container refunds) from the other sales of the business. The applicant must describe the method proposed to accomplish this separation.

## PART III – APPLICATION DOCUMENTS

Each applicant must include all of the following documents with their application:

- *Rural Agency Store Application Form*
- *Personal History Form*
- *Business Reference Form*
- *Authorization Terms and Conditions*
- Copy of floor plan for premises showing a separate area for liquor sales. (Plan must show measurements of total store floor area and liquor floor area.)

If the applicant is a corporation, attach a copy of incorporating documents, most recent filing under the applicable Act, and evidence of registration of the business name under which the applicant will carry on business.

### Required Signatures

All applicants must complete and execute all of the forms according to the following instructions:

- In the case of a corporation, an authorized signing officer of the corporation must sign the *Rural Agency Store Application Form*. A *Personal History Form* must be completed by each officer, director and any shareholder holding 10 per cent or more of the shares of the corporation.

- In the case of a partnership, each partner must sign the *Rural Agency Store Application Form* and each partner must complete a separate *Personal History Form*.

- In the case of a sole proprietorship, the individual owner must sign the *Rural Agency Store Application Form* and must complete a *Personal History Form*.

- In all cases, the proposed manager of the applicant's store must complete a *Personal History Form*.

- Applicants who elect to make liquor deliveries must complete and execute the *Terms and Conditions for Liquor Deliveries* document.

**Note**: It is the applicant's responsibility to ensure that all the necessary information concerning the application process has been submitted.

### Inquiries

Inquiries concerning the application process may be directed to:

Store Operations
B.C. Liquor Distribution Branch
2625 Rupert Street
Vancouver, British Columbia V5M 3T5
Phone: (604) 252-3324 or toll free at 1-866-888-3324
Facsimile: (604) 252-3016
E-mail: ras@bcliquorstores.com

**Verification**

The applicant agrees that the LDB may, if deemed necessary, verify any information provided in any application.

**Misleading Information**

If there is any evidence of misleading or false information being given, the LDB may, in its sole discretion, reject the application.

**No Liability for Expenses**

In the event an application is not approved, the LDB will not be liable for any costs or damages incurred by any applicant including, without limitation, any expenses incurred in the preparation and submission of the application.

**One Application**

Applicants may not submit more than one (1) application for each business.

**Confidential Responses**

The LDB will consider all applications as confidential, subject to the provisions (including, without limitation, the disclosure requirements) of the *Freedom of Information and Protection of Privacy Act*. The LDB will, however, have the right to make copies of all applications received for its internal review process.

**Information**

All requirements, documentation, plans and information obtained by the applicant in connection with this application become the property of the LDB and so will be treated by the LDB as confidential. The documentation will not be used for any other purpose other than replying to the application and the fulfillment of any subsequent authorization(s).

**Incomplete Responses**

The LDB will not issue an authorization until the application is completed in full, and all information required by the LDB is provided.

**NOTE: ONLY ORIGINAL SIGNED APPLICATION FORMS WILL BE ACCEPTED**

**RAS Operator Authorization**

The General Manager may authorize one operator in each RAS qualifying community.

The acceptance of an application and the issuance of an Authorization will only be made in writing. In the event that a successful applicant fails or refuses to duly acknowledge in writing the RAS *Authorization Terms and Conditions*, the LDB reserves the right, at its sole discretion, to not proceed with the RAS authorization.

**Grandparent Status**

A RAS established prior to the 2004 is considered to have "grandparent status." Grandparent status allows RASs already in existence prior to 2004 to continue to operate, even though they may not meet the current program criteria. The grandparent status applies to the physical location of the RAS. Grandparent status will be terminated if the RAS moves to any other physical location. At the discretion of the General Manager of the LDB, a variance to the grandparent provision related to a relocation may be granted.

**Right to Cancel or not Proceed with a RAS Authorization**

The LDB reserves the right in its sole discretion and for any reason whatsoever to accept or reject any or all applications in whole or in part.

**Application Review**

In locations where more than one suitable business exists, the LDB will post an expression of interest in the local newspaper, and interested applicants will have 30 days to submit an application. The LDB will, then, complete its application review process within 90 days of the date of receipt of a completed application.

# Section V

## Rural Agency Store
## Authorization Terms and Conditions

## RAS AUTHORIZATION TERMS AND CONDITIONS

The *Authorization Terms and Conditions* describe the manner in which RAS applicants are required to conduct their RAS business.

**Premises**

1. The Authorization Certificate must be publicly displayed at all times in the retail store premises.

2. Liquor inventory or displays cannot be co-mingled with any other inventory or displays. Operators may only sell liquor from a separate area of the store.

3. RAS operators may operate their RAS business only on the days and during the hours the main business with which the RAS is associated is open. Liquor sales are permitted between the hours of 9:00 a.m. and 11:00 p.m., any day of the year (subject to municipal, regional or district bylaws).

4. RAS operators must comply with all federal, provincial, municipal or regional requirements; the *Liquor Distribution Act* and *Liquor Control and Licensing Act*, including the prohibition against sales to minors or intoxicated persons.

**Liquor Purchases**

5. RAS Operators have access to all products that are available for sale in the province, including wholesale products supplied by the LDB, wine supplied directly by British Columbia wineries and all beer supplied directly by beer suppliers.

6. All products purchased must be paid for prior to taking possession of the product. The method of payment for purchases and order/pickup terms and conditions, and transportation if provided, should be arranged with the LDB supplying store and BDL, as well as the redemption of the BDL empty liquor containers.

7. RAS operators must purchase liquor at the LDB's established discount from the retail price. An example as to how this discount is calculated is in Appendix A.

8. RAS operators may return defective products to their original source of supply. The LDB has the discretion whether to accept, replace, or refund products.

**Sale of Product**

9. RAS operators may sell liquor to:
   - retail customers;
   - establishments licensed under the *Liquor Control and Licensing Act* ("licensed establishments") with the prior written approval of the LDB;
   - special occasion license holders upon presentation of the license (SOL holders) with the prior written approval of the LDB.

10. Payment of liquor products must be by cash, debit, or credit card. No other forms of payment are accepted.

11. All liquor retailers are required to ask for two pieces of identification (ID) from all customers who look under the age of 19 before selling liquor to the person. In compliance with the LCLA, two pieces of ID must be requested each and every time the above-mentioned persons make a purchase, even if they have produced ID previously.

    *As a government authorized liquor retailer, the onus is on RAS operators to ensure that strict compliance with the two-ID policy is strictly enforced. A RAS operator found to be in violation of this policy may be subject to penalties that result in the suspension or termination of the RAS authorization.*

12. RAS operators may sell liquor products to retail customers at 5% plus or minus the GLS's display price (includes provincial sales tax and goods and services tax). A RAS price calculator is located under the Resources tab on the Wholesale website at www.ldbwholesale.com.

13. At the operator's option, a chill charge may be added for liquor sold chilled. A reasonable selection of non-chilled product must also be available for sale at all times. The chill charge must be clearly displayed as a separate amount. Provincial sales tax and goods and services tax must be added to a chill charge.

14. RAS operators will be provided with a store specific price change report showing the new product price set by the LDB for each financial period. Price change reports are posted under the Resources tab on the Wholesale website at www.ldbwholesale.com a minimum of ten days prior to the next price change.

15. RAS operators may deliver any liquor product to their retail customers in accordance with the provisions of the *Terms and Conditions for Liquor Delivery*. Before starting a delivery service, RAS operators must inform the LDB in writing that they accept the *Terms and Conditions for Liquor Delivery*.

16. RAS operators authorized to sell liquor to licensed establishments must sell at the GLS display price less the 10% provincial sales tax. Each order of liquor sold to a licensed establishment must be recorded on a "Licensee Agency Order Form" and sent to Finance Data Management at the end of each financial period.

17. In accordance with LC&LB regulations, any RASs that supply liquor for a SOL event are required to accept returns of any unopened liquor left over after the special occasion ends.

**Empty Containers Deposit and Refund**

According to the provisions of the Environment Management Act, RAS operators must collect a deposit on all empty containers they sell. RAS operators must also accept from a customer up to two dozen empty containers per day of the brands of products that they sell, and refund the applicable deposit.

RAS operators must arrange, at their cost, for the delivery/collection and redemption of all other empty liquor containers, to a designated bottle depot or their supplying store if there is no local bottle depot.

**Records and Reports**

18. RAS operators must keep financial records, prepared in accordance with generally accepted accounting principles, relative to the purchase and sale of liquor that are necessary, customary and appropriate for a like-sized retail business. Financial records should be retained for three years. RAS operators must provide any financial records to the LDB, upon request, for inspection or audit to ensure compliance with these Terms and Conditions.

**Enforcement**

19. Failure to:

**(a)** Comply with these *Authorization Terms and Conditions*, or

**(b)** Comply with any general provincial requirements concerning the sale of alcohol, including the sale of alcohol to minors or intoxicated persons, may result in the imposition of additional conditions for the operation for your RAS or the suspension or termination of all or any part of these *Authorization Terms and Conditions*, as imposed by the General Manager of the LDB in his or her discretion. Alternatively, the LDB may give you reasonable notice to remedy the non-compliance. Failure to remedy the non-compliance within a reasonable time may result in the imposition of any such remedies. Any costs associated with any investigation into compliance with these terms and conditions or any provincial requirements, as reasonably determined by the LDB, will be payable by you.

**Sale of RAS/Termination**

20. Should a RAS Authorization be terminated for any reason, the RAS operator must sell to the LDB all the liquor inventory that the LDB considers in a saleable condition.

21. A RAS Authorization will be terminated on the sale of the business conducted from the store premises. The LDB must be advised of any proposed sale as soon as a purchaser has been identified. The purchaser may be granted a temporary authorization to operate the RAS business upon the completion of the sale of the business.

22. If a RAS authorization terminates due to the closure of a business, any future requests for the establishment of a RAS in the community will be subject to the RAS criteria applicable at the time.

23. A RAS established prior to 2004 is considered to have "grandparent status." Grandparent status allows RASs already in existence prior to 2004 to continue to operate, even though they may not meet the current program criteria. The grandparent status applies to the physical location of the RAS. Grandparent status will be terminated if the RAS moves to any other physical location. At the discretion of the General Manager of the LDB, a variance to the grandparent provision related to a relocation may be granted.

24. RAS operators must advise the LDB of any change(s) in their shareholders or partners.

**General**

25. The Authorization to sell liquor is personal in nature and cannot be sold, assigned, or transferred by the Operator, either directly or indirectly.

26. These *Authorization Terms and Conditions* do not create a partnership or joint venture with the LDB. The LDB is:

- limited to acting as a supplier of liquor,
- responsible for establishing these Terms and Conditions,
- ensuring compliance with the Terms and Conditions, and ensuring that the public interest is served.

I acknowledge that I fully understand the responsibilities and obligations with respect to the operation of the Rural Agency Store and agree to abide by these terms and conditions.

**AGREED TO** on this _____ day of _____ 20 _____. by

_____ _____

Applicant (please print) Signature

_____

Applicant (please print) Signature

_____ _____

Applicant (please print) Signature

For Example Only - Do Not Complete

Business Name: _____

Business Address: _____

# Section VI

# Terms and Conditions For Liquor Deliveries

## TERMS AND CONDITIONS FOR LIQUOR DELIVERIES:

The Liquor Distribution Branch will permit the RAS operator to deliver liquor to retail customers under the following conditions:

1. Delivery must be made by and to a person who is 19 of age, and is neither intoxicated nor under the influence of drugs or other similar substances.

2. Proof of age of the person receiving the delivery must be validated at the time of delivery with acceptable identification: e.g. passport, BC identification card, or driver's licence with photograph.

3. RAS operators may deliver only to a place where liquor may legally be possessed or consumed.

4. Deliveries must take place no later than ½ hour after the store's closing time.

5. The charge for the liquor must be the store's current retail price of the liquor plus a separate delivery charge, if relevant. The customer must be informed about each of these separate charges at the time the order is placed.

6. Liquor products must be delivered only from RAS existing authorized sales location, as specified in the RAS operating agreement.

7. Delivery transaction records must be maintained for a minimum of three years. The records must include the date, time, and address for each delivery, along with the products purchased, the individual prices, charges, the delivery fees and the total amount paid by the customer.

8. RAS operators are responsible for ensuring that their employees or any other parties making deliveries on their behalf adhere to these terms and conditions.

9. Failure to adhere to these terms and conditions may result in the suspension or termination of RAS delivery privileges, in addition to any other remedies the LDB deems appropriate.

10. A written acknowledgement accepting these terms and conditions must be on file with the LDB before any delivery privileges are granted.

## ACKNOWLEDGEMENT

I (We) acknowledge to adhere to and comply with the Liquor Distribution Branch (LDB) "Terms and Conditions for Liquor Deliveries."

I (We) understand that failure to adhere to and comply with the Terms and Conditions may result in the suspension or termination of delivery privileges and any other remedies that the LDB may impose.

I (We) understand that the signed Acknowledgement must be returned to the LDB, if I (We) choose to deliver alcohol products to retail customers.

Further, I (We) understand that delivery activities may commence once a signed copy of this Acknowledgment has been received by the LDB.

**AGREED TO** on this _____ day of _____ 20 _____, by the Authorized signatory (ies) of:

_____ _____
*(business name and location)* *(RAS number)*

_____ _____
Signature Print name and title

_____ _____
Signature Print name and title

_____ _____
Signature Print name and title

For Example Only - Do Not Complete

**Appendix A - Revised**

**Rural Agency Store Discount**

The Rural Agency Store discount removes the provincial sales tax (10%) and allows RASs to purchase liquor products at a 10% discount from the LDB retail price without tax. [RASs purchase liquor products at a 10% discount from the pre-tax LDB price. PST is remitted directly by the RAS. GST is added to the purchase.]

**RAS Factors based on 5 percent GST are calculated as follows:**

| | RAS current pricing | RAS minimum pricing (less 5%) | RAS maximum pricing (plus 5%) |
|---|---|---|---|
| **Display Price** (includes GST & SST) | $ 230.00 | $ 218.50 | $ 241.50 |
| **Retail Price** (excludes GST & SST) | $ 200.00 | $ 200.00 | $ 200.00 |
| **Less: Purchase Discount** | (20.00) | (20.00) | (20.00) |
| **Subtotal** | $ 180.00 | $ 180.00 | $ 180.00 |
| **Add 5% GST** | $ 9.00 | $ 9.00 | $ 9.00 |
| **Total Amount Paid** | $ 189.00 | $ 189.00 | $ 189.00 |
| **Reduction from display price** (display less amount paid) | $ 41.00 | $ 29.50 | $ 52.50 |
| **Discount factor** | **17.826%** | **13.501%** | **21.739%** |
| **GST Factor** | **3.913%** | **4.112%** | **3.727%** |

- $230.00 **Display price** x 17.826% = $41.00. **Display price** $230.00 - $41.00 = $189.00 **to pay the LDB (product cost and GST)**.
- The empty container deposit is applied to the price of the product after the discount factor and after taxes have been calculated.